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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
POUGHKEEPSIE DIVISION

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IN RE:

CATSKILL DISTILLING COMPANY, LTD.,

**CHAPTER 11
CASE NO. 19-36861 (CGM)**

Debtor.

**AFFIDAVIT UNDER LOCAL
BANKRUPTCY RULE
1007-2**

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STATE OF NEW YORK)
)S.S.:
COUNTY OF DUTCHESS)

I, STACY COHEN, being duly sworn, deposes and says:

1. That she is the President of the debtor corporation herein and makes this Affidavit pursuant to Rule 1007-2 of the Rules of this Court.
2. That there is no other or prior Bankruptcy Proceeding filed by or on behalf of the corporation except those listed on the debtor's petition.
3. That the names and addresses of all the known creditors are attached to the debtor's Chapter 11 petition.
4. The debtor is not involved in any lawsuits now pending, aside from those listed in the Chapter 11 Petition at Statement of Financial Affairs, Question 4.
5. That there is no property of the debtor in the possession or custody of any public officer, receiver, trustee or assignee for the benefit of creditors, mortgagee pledge or assignee or rents.
6. The debtor has no shares of stock, debentures or other securities which are publicly

held.

7. The debtor presently has four (4) employees, one (1) '1099 employee', and the estimated amount of bi-weekly payroll to employees of the debtor is \$4,750.00.

8. The estimated pro forma operating expenses for a thirty (30) day period is set forth as Exhibit "A" annexed hereto.

9. It is estimated that the debtor will not have a profit from its business operations for a period of thirty (30) days following the filing of the Chapter 11 petition.

10. The debtor's financial difficulties have been caused by the following circumstances:

The debtor owns and operates a farm distillery located in Bethel (County of Sullivan), New York. The debtor fell behind on its obligation to its secured creditor, Jeff Bank, and Jeff Bank obtained a judgment against the debtor in the Supreme Court of New York, County of Sullivan. In addition, the debtor has a number of vendor and accounts payable obligations. As a result, the debtor believes that a resolution with its creditors (possibly via sale of the debtor's assets/going concern) before the United States Bankruptcy Court is necessary and in the best interest of its creditors in order to enable the debtor to propose a meaningful repayment of its obligations.

11. The debtor's first day Order includes the retention of counsel pursuant to 11 U.S.C. §327 and approval of pre-petition wages pursuant to 11 U.S.C. §§105 and 507.

12. It is respectfully submitted that the best interest of the creditors, the debtor and the community it would be a service in allowing the debtor to continue its business. Otherwise, in the event of liquidation, unsecured creditors would receive little if anything in the way of a dividend. If the operations are continued and a Plan can be negotiated with creditors, the results will be the rehabilitation of the debtor.

For all of the above reasons, the debtor desires to continue the operations of its business.

CATSKILL DISTILLING COMPANY, LTD.

By: /s/ Stacy Cohen
Stacy Cohen, President

Sworn to before me this
3rd day of December, 2019.

/s/ Michelle L. Trier
MICHELLE L. TRIER
Notary Public, State of New York
Qualified in Dutchess County
Comm. Expires 2/27/20

Catskill Distilling Co., Requested Budget

Income					
	Rent		\$ 770.00		
	A/R sales		\$ 2,088.48		
	projected POS sales		\$ 10,000.00		
	Total Income			\$ 12,858.48	
Expenses					
	Payroll		\$ 9,500.00		
	IDA leases		\$ 2,681.93		
	Marlin Lease		\$ 429.91		
	Siemens Lease		\$ 2,381.05		
	Siemens Lease		\$ 5,480.48		
	Insurance:				
	Workers Comp		\$ 1,106.34		
	Auto		\$ 142.00		
	Real Estate Business Package		\$ 226.25		
	Distillery Business Package		\$ 2,857.08		annual premium 10 payments
	Utilities:				
	Phone		\$ 777.26		(vonage, cell and alarm)
	Trash Removal		\$ 399.00		
	Snow Removal		\$ 275.00		each time snow removal is needed during winter
	Electric		\$ 1,500.00		
	Internet		\$ 738.04		
	Propane		\$ 712.41		
	Other				
	BMW		\$ 516.72		
	Somesign		\$300.00		Sign Rental
	Total Expenses			\$ 30,023.47	